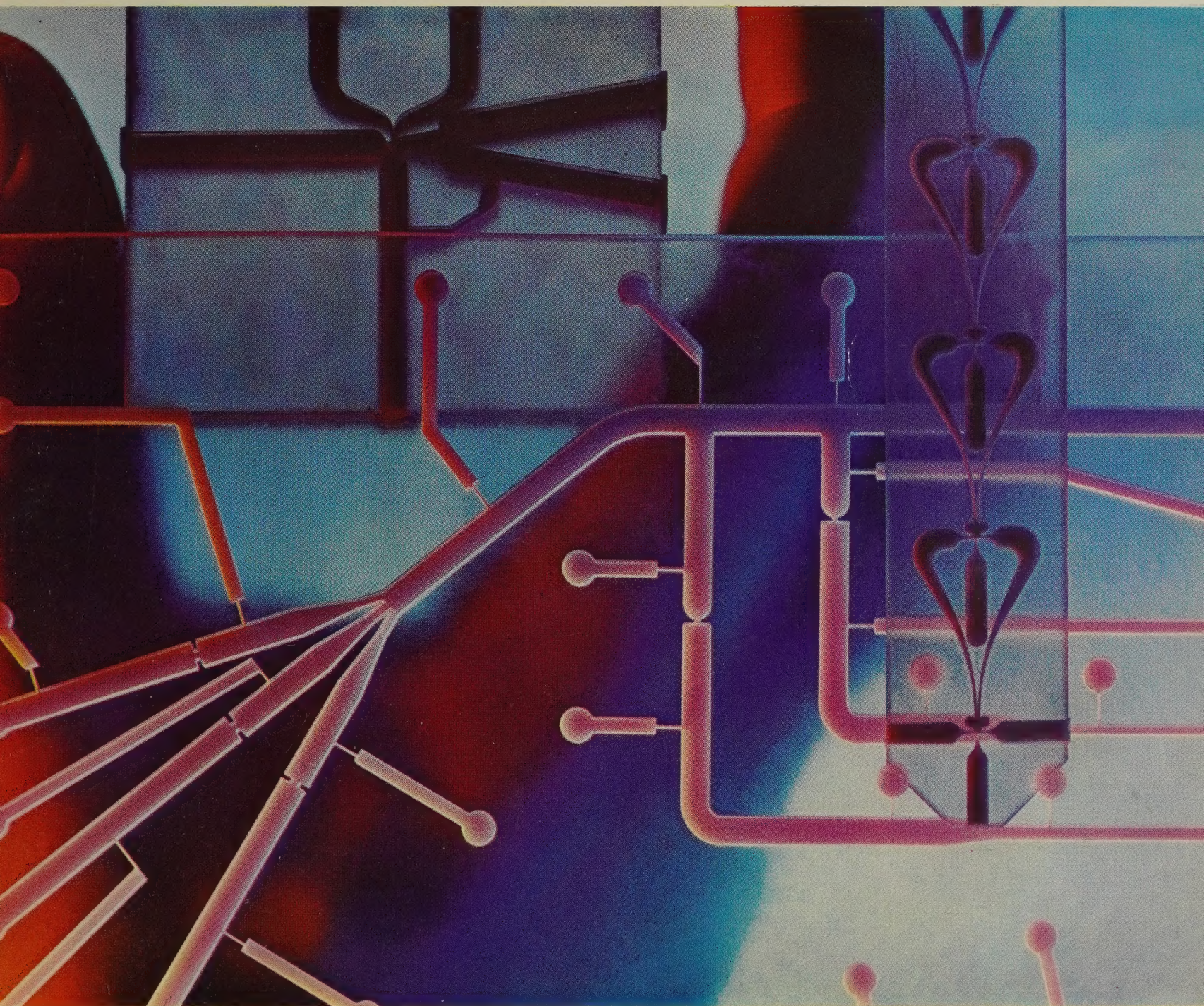


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# Corning Glass Works 1963 Annual Report



**CORNING**  
CORNING GLASS WORKS



# Corning Glass Works 1963 Annual Report

for the fiscal year ended December 29, 1963, 112th year of operation

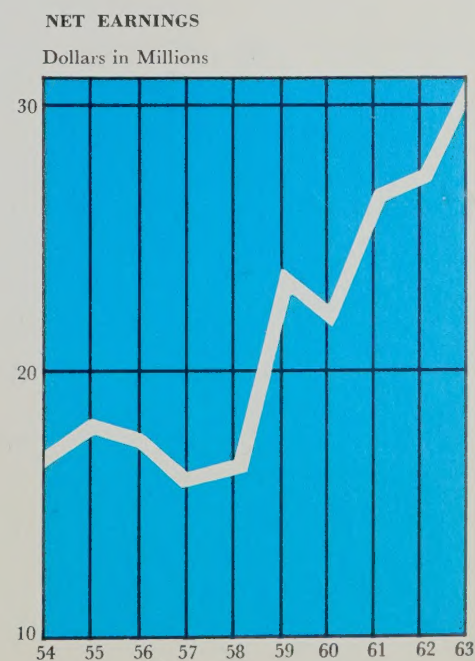
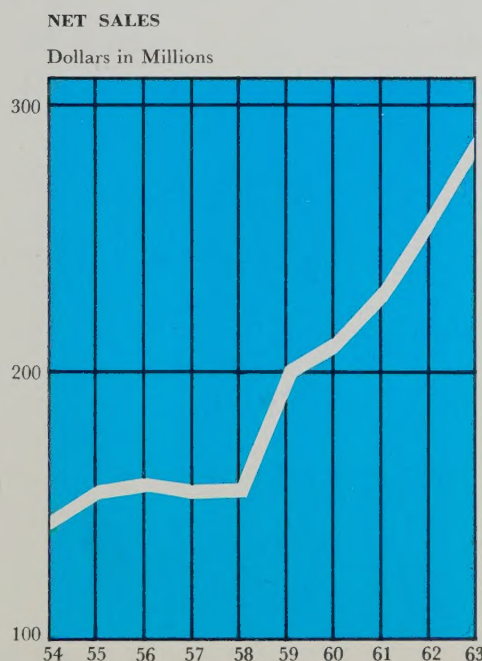
*Administrative Headquarters, Houghton Park, Corning, N. Y.*

## 1963 In Brief

	1963	1962
Consolidated net sales .....	<b>\$289,217,438</b>	\$262,199,886
Consolidated net income .....	<b>\$ 31,575,521</b>	\$ 28,096,609
Per common share .....	<b>\$4.62</b>	\$4.11
Dividends per share on common stock (Company has paid dividends each year since 1881) .....	<b>\$2.50</b>	\$2.00
Corning's share of undistributed earnings (not consolidated) of:		
Major domestic associates .....	<b>\$ 3,072,730</b>	\$ 3,626,438
Foreign associates and subsidiaries ..	<b>\$ 532,275</b>	\$ 696,412
Federal income taxes .....	<b>\$ 27,264,000</b>	\$ 23,100,000
Per common share .....	<b>\$4.01</b>	\$3.40
Working capital .....	<b>\$ 81,017,931</b>	\$ 69,676,332
Number of common and preferred stockholders on record on last dividend date .....	<b>13,976</b>	14,402
Number of common shares outstanding at year-end .....	<b>6,805,547</b>	6,791,885

**THE COVER:** The capability to chemically machine photo-sensitive glass with precision is shown in two ways. First, the four-color photograph was reproduced from photosensitive glass printing plates. Secondly, the new product illustrated is made of photosensitive glass. These are fluid amplifier elements used in pneumatic process control instruments.

The following trademarks of Corning Glass Works appear in this report: CENTURA, CERCOR®, COREX®, CORNING®, CORNING WARE®, DOUBLE-TOUGH, PYREX®, PYROCERAM®, STEUBEN®, VYCOR®.



## To Our Shareholders

Record levels of sales and earnings reached in 1963 marked another year in which Corning's objective of continuing sound growth was achieved. A summary of significant activity last year follows this letter.

Over the past five years, growth has progressed at a steady rate. Sales and earnings were, respectively, 82 and 84 per cent greater in 1963 than in 1958.

In our opinion, continued future growth can be anticipated because of Corning's basic strengths.

### *Management Strength*

First, the company has, in depth, a capable and energetic management staff. The complexity of Corning's business—created by diversity of manufacturing processes, products and markets—has dictated a high degree of decentralization for efficient management. This delegation of responsibility has led to the establishment of several new staff functions and has more than doubled the number of line divisions. There are now 21 staff and line divisions, including subsidiaries.

Corning's divisional managers, with three exceptions, have been associated with Corning essentially from the beginning of their business careers. This group

combines vigor with exceptional knowledge of the precise requirements of glassmaking and a keen understanding of Corning's diversified markets.

### *Research Strength*

Secondly, the company has long encouraged an expanding and productive research and development program. This is our fastest-growing activity. Expenditures for research and development in 1963 were more than double those of 1958.

Because of the success of this program in the development of new products and in the opening of new markets, we plan to continue the expansion of our research and development activity. Construction to be undertaken for new laboratories and development facilities is described on page 15.

### *Financial Strength*

Thirdly, the company is in a strong financial position. At year-end, working capital amounted to \$81,017,931.

Although we expect to finance future growth by cash generated from within, Corning is in an excellent position to borrow on advantageous terms, should that course seem advisable, to capitalize on opportunities which may arise in the future.

### *In Appreciation*

But the true strength of Corning resides in the thousands of men and women whose loyal and devoted efforts—day-by-day and year-by-year—have contributed so much to Corning's growth. We are grateful for their cooperation and have real reason to be proud of them. We believe that they are equally proud to be a part of Corning.

*William C. Decker*

CHAIRMAN OF THE BOARD

*Amory Houghton, Jr.*

PRESIDENT

February 17, 1964 Corning, New York



*Amory Houghton, Jr., W. C. Decker*

*Continual experimentation is carried out in the company's lighting laboratory to measure precisely the effectiveness of new illumination techniques.*



# Financial Summary

## Corning Glass Works and Subsidiaries

Net sales in 1963 totalled \$289,217,438 as compared with \$262,199,886 in 1962. This 10.3 per cent increase marked the sixth consecutive year of higher sales.

Net income amounted to \$31,575,521 last year and to \$28,096,609 in 1962—a gain in income of 12.4 per cent. Earnings per share of common stock, after payment of preferred dividends, were \$4.62 in 1963 and \$4.11 in the preceding year. Last year dividend payments on the common stock were increased to \$2.50 per share, as compared with \$2.00 per share paid during each of the three preceding years.

At the year-end, working capital reached a record high of \$81,017,931 compared with \$69,676,332 at the end of 1962.

Holdings of cash, certificates of deposit and government obligations totalled \$51,771,071 at the end of 1963 and \$40,995,550 at the end of 1962.

## Domestic Associates

Corning owns a half interest in two domestic associates—Dow Corning Corporation and Pittsburgh Corning Corporation—and a 31.03 per cent interest in a third, Owens-Corning Fiberglas Corporation. The financial accounts of these three companies are not consolidated with those of Corning Glass Works.

Corning's share of the combined net earnings of these three associates amounted to \$9,318,730 in 1963, as compared with \$9,322,438 in 1962. Corning received dividends totalling \$6,246,000 from the three associates in 1963, and \$5,696,000 in 1962.

At the end of 1963, Corning's equity in the net book assets of these three associates was \$63,293,560 in excess of its investment in them. The investment in Owens-



*Amber-colored bulbs were developed for automobile turn signals. The natural color bulbs give more light and permit use of a clear cover lens which automotive designers prefer for styling flexibility.*

Corning, valued at the market price of its stock on December 27, 1963, was approximately \$129,946,000 more than the amount at which Corning carries the investment on its books.

## Foreign Associates

Corning has minority interests in glass manufacturing companies in Argentina, Brazil, Chile, England, France and India, in a refractory manufacturing company in France, and in an electronic components company in England.

Corning's share of the combined earnings of its foreign subsidiary and associated companies in 1963 amounted to \$1,168,742 as compared with \$1,364,728

*Decorative and functional CORNING WARE  
utensils, CENTURA tableware and PYREX  
Ware products are practical for outdoor  
patio living as well as for formal dining.*



in 1962. Dividends received by Corning from these companies amounted to \$636,467 in 1963, compared with \$668,316 in 1962.

## Operating Highlights

Principal products of the line divisions and subsidiaries are described on pages 28 and 29. Matters of interest concerning 1963 operations of some of these groups are summarized below.

### Lamp Products

The overall demand for products produced by the Lamp Products Division reached new highs last year.

The division produces glassware for use in various electric lamps such as incandescent and photoflash bulbs, fluorescent lights, sealed beam headlamps for automobiles, as well as glass tubing for advertising signs.

### Television Products

Corning continues to be the largest producer of bulbs for use in the manufacture of television tubes. The demand for color bulbs increased sharply in 1963, and substantial increases are expected in 1964.

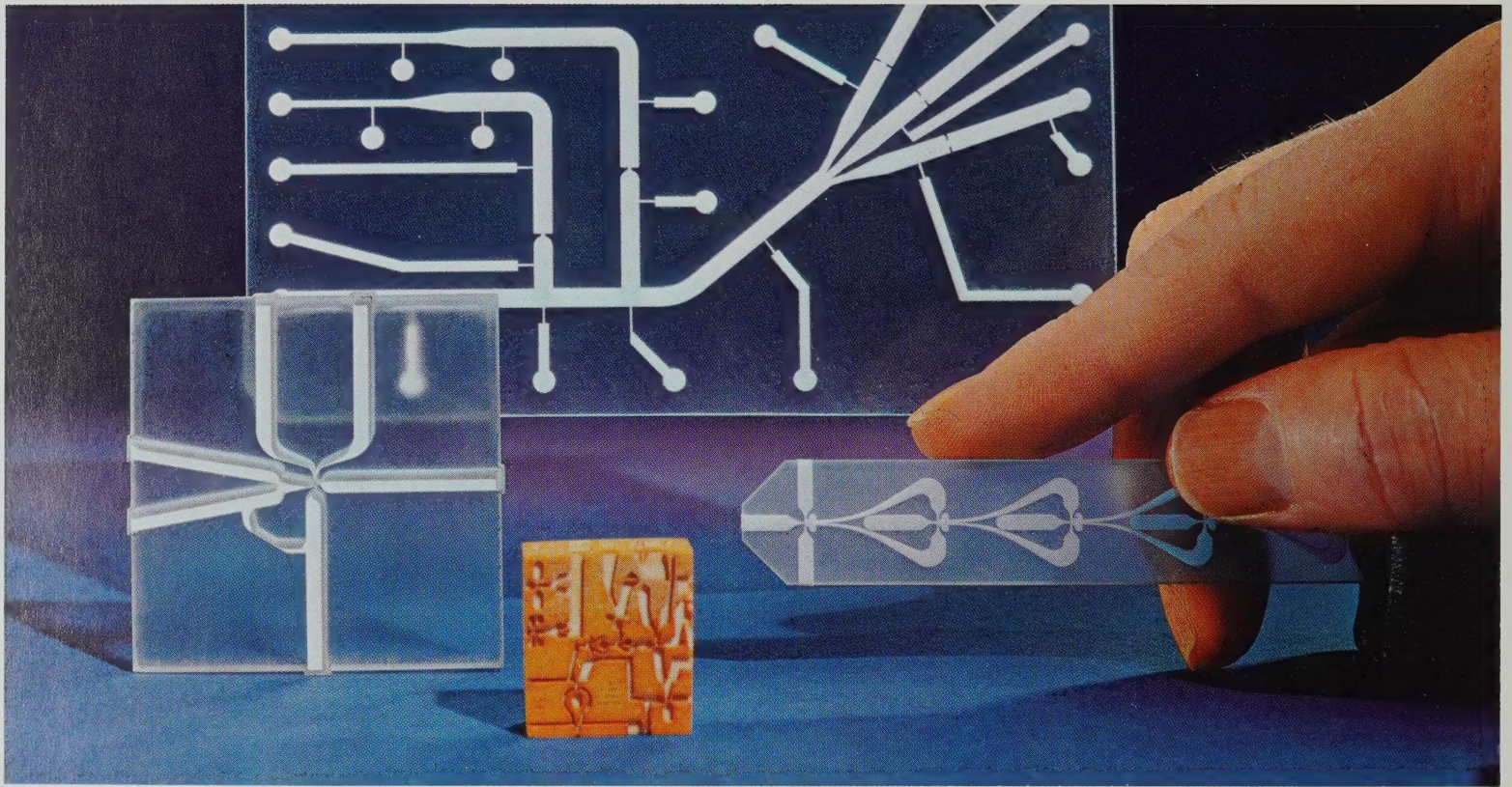
Increased sales were also made of glassware for electronic apparatus, including x-ray image intensifiers and air traffic control radar.

### Electronic Products

The principal electronic products manufactured by Corning in recent years have been high-quality capacitors and resistors for use in conventional electronic circuits.

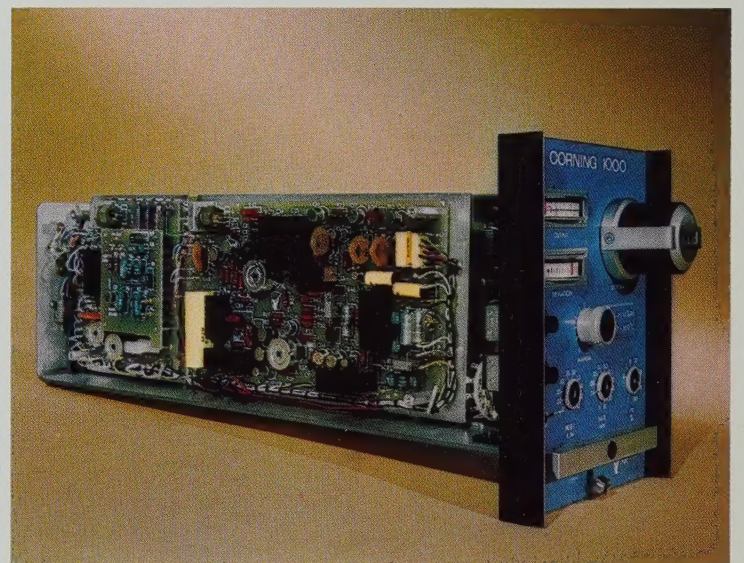


*All dining rooms in the New York Hilton Hotel which opened last June are completely equipped with custom-decorated PYROCERAM brand tableware.*



*Fluid amplifier elements, shown above and on the cover, are being developed for use in process control instruments which use air or liquids in place of electronic impulses.*

*The precision deviation control (right) was designed for high-temperature applications in industrial processing.*



For many military and industrial electronic devices, however, it is desirable to have much smaller and more reliable circuits than those employing standard components.

In order to produce these miniaturized circuits, development work has been proceeding in two directions. The first is microcircuitry, a technology in which thin electrically conductive films are deposited on glass or ceramic bases to produce the equivalent of conventional circuits. These devices are then connected to transistors to make a functioning unit. The second is in integrated circuits, devices in which the entire functioning unit is diffused in a small piece of semiconducting material.

Corning believes that there will be a large demand in the future for microcircuits and for integrated circuits. The company is a pioneer manufacturer of both products.

Last year microcircuit production improved with the installation of Corning-designed automatic equipment in its plant at Raleigh, N. C.

Signetics Corporation, a company in which Corning holds a majority interest, is a pioneer in the manufacture of integrated circuits. Although this is a relatively small business, volume increased substantially in 1963 and growth prospects are excellent.

A new line of control devices was developed for the high-temperature process industries late in 1963. These electronic controls incorporate new features which permit the regulation of temperature within one-tenth of a degree Centigrade over a 24-hour period. Sales headquarters and manufacturing facilities have been established at Penndel, Pa.

### *Technical Products*

This division has been assigned the important project of developing industrial uses for glasses chemically

strengthened by the new Chemcor process.

Normally, the time span between the completion of a development in the research laboratories and its application to substantial commercial use is a matter of years. In the case of the Chemcor processes, many potential applications are still in the testing stage.

However, in 1963 three different chemically strengthened products were introduced by Technical Products Division. They were the rear windows for the 1964 Ford Galaxie and Mercury convertible automobiles, COREX laboratory pipets with six times the life of previously existing pipets, and lenses for industrial safety goggles which are lighter in weight and three times stronger than conventional safety lenses.

Further progress was made in the fabrication of large telescope mirror blanks made of fused silica. Three solid blanks—two with a diameter of 50 inches and one of 62 inches—were produced for use in a missile and satellite tracking station in Hawaii.

Demand for optical glassware and laboratory ware produced by the division also increased during the year.

### *Industrial Products*

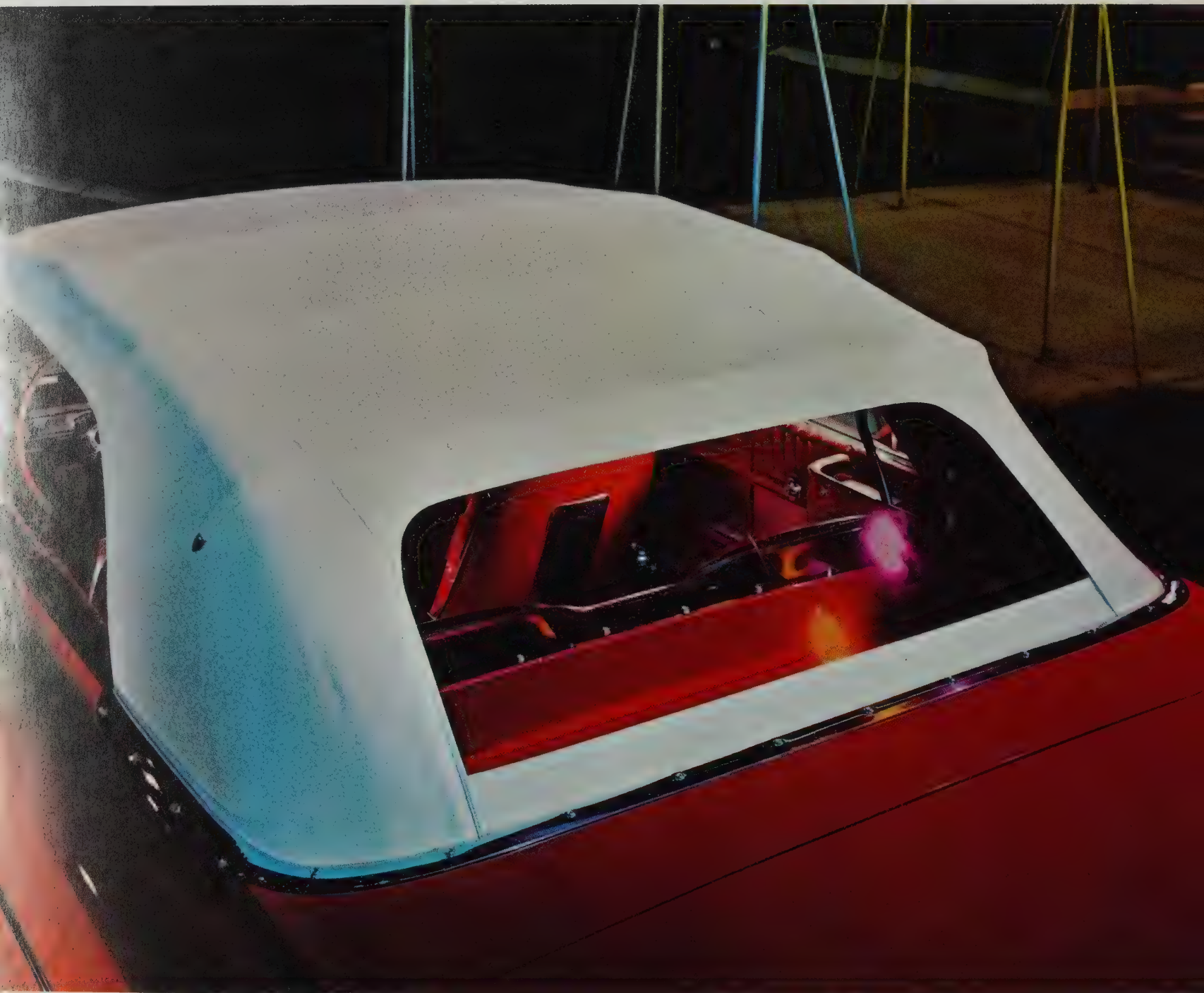
A new operating group, Industrial Products Division, was established late in 1963 to permit concentration on several important markets.

This division will handle a number of product lines formerly produced and marketed by the Technical Products Division: building products, heaters, industrial glass components, lighting ware and glass equipment for the process industries.

A heat-shielding window glass which rejects 59 per cent of solar radiation was developed last year for use in commercial and industrial buildings. Called CORNING

*An optically precise lens automatically made at low cost is used in the flush runway light fixtures at Dulles International Airport (right).*

*First application of CORNING Chemically Tempered Safety Plate is in the rear windows of 1964 Ford Galaxie and Mercury convertible automobiles. Strong and lightweight, the windows are optically clear and free of distortion.*



Solar Shielding Glass, the product reduces glare, increases comfort and reduces air conditioning costs.

Armored glass valves and sight sections for piping systems were introduced in 1963 for the chemical process industry. The corrosion resistant PYREX brand valve and piping sight sections are provided with a coating of plastic reinforced Fiberglas to give added strength.

### *Consumer Products*

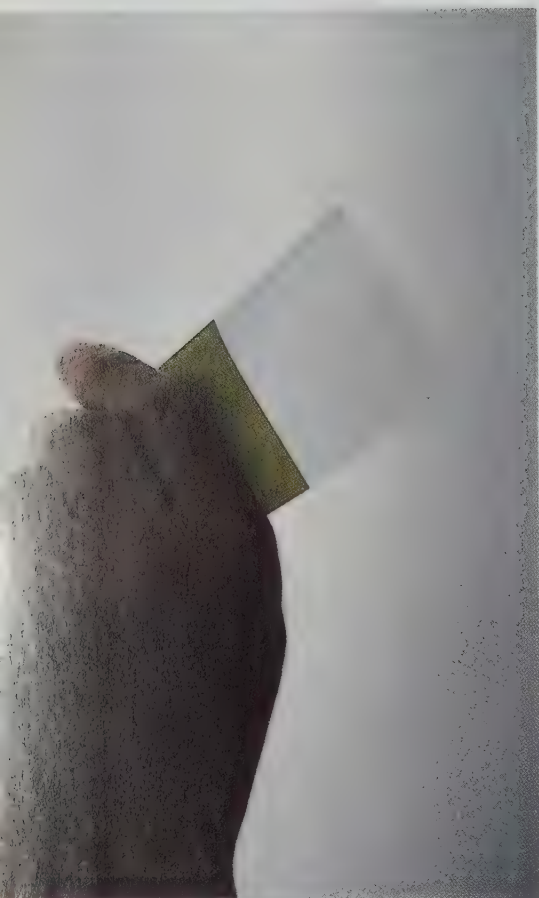
A new line of attractive and exceptionally strong tableware, trademarked CENTURA Ware, was developed in 1962 for home use. CENTURA Ware is made from a PYROCERAM brand glass-ceramic and is strengthened by a Chemcor process. The tableware was first offered for sale late in 1962 in several regional markets. Nationwide distribution was achieved by June of last year. As forecast, based on 1962 regional market acceptance, national sales last year were at a satisfactory level. Increased sales are expected in the future as CENTURA Ware becomes better known to housewives.

The unusual properties of CENTURA Ware, especially its durability, indicated that a large market existed for a related product designed for hotels, restaurants and similar institutions. Accordingly, such a line was developed in 1963. The first installation was in the New York Hilton Hotel which was opened last June. Other installations are being made and customer reaction is excellent.

The CORNING Food Service Center, another product with commercial application, was introduced last year. Two units, one with a warming device and the other with a refrigerating system, are equipped with PYROCERAM brand base plates and vessels for keeping prepared foods hot or cold. This represents Corning's initial venture into the field of major equipment for commercial feeding.

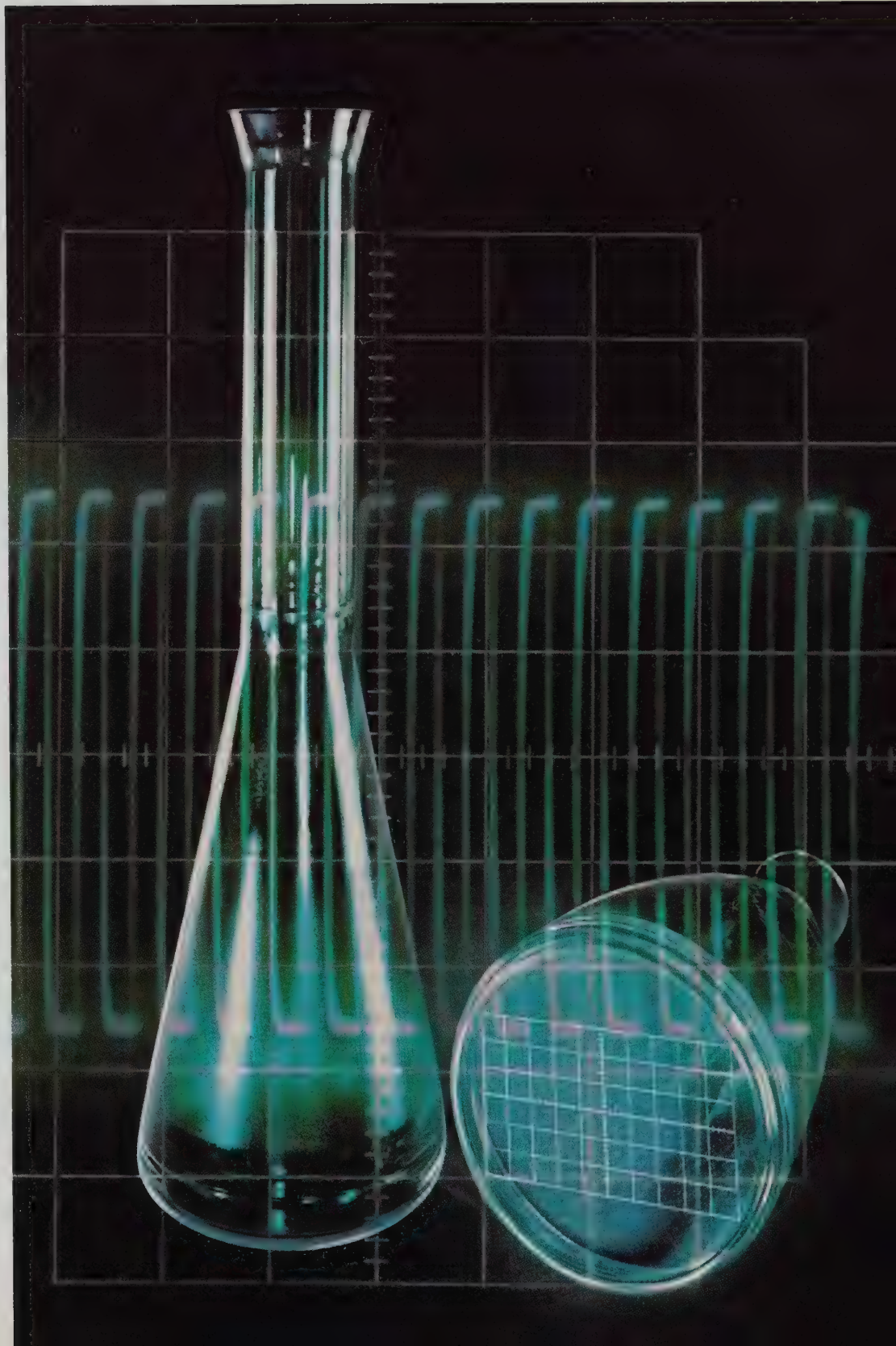
*A CERCOR gas heater, utilizing a cellular ceramic structure as the heating surface, was developed for infrared space heating. The unit is compact, lightweight and instant heating.*





*Transparent microminiature glass wires (above) were developed for navigational or tactical plotting boards to show the direction and speed of moving objects.*

*Storage tube bulbs such as those used in air traffic control radar (right) are produced to extremely tight specifications.*



Several new CORNING WARE products were also added to the line last year: an electromatic platter which can be immersed in water for cleaning and is used to keep foods and beverages hot while serving, a two-quart tea kettle and a saucemaker with a variety of uses.

Additions to the PYREX Ware line included a six-cup drip coffeemaker; PYREX products are now available for brewing coffee by all the popular methods. PYREX opal glass bowls and casseroles were presented in new colors and with new accessories.

### *Corning Packaging*

Corning Fibre Box Corporation, formerly a wholly owned subsidiary, was merged into the parent company last December and has continued operations as a Corning division. It has been renamed the Corning Packaging Company to reflect the addition of foam plastic and other types of packaging to its long-established business in corrugated paper containers.

The foam plastic production equipment of Thomas Plasti-Kraft Corporation of New Hartford, N. Y., was acquired last year. The Thomas Corporation has been appointed a regional sales representative of Corning Packaging Company.

### *International*

Corning seeks through its international operations to take advantage of growth and profit opportunities in markets throughout the world.

Corning products are exported to those markets where transportation costs permit or in which present demand is too small to justify local manufacture. In Canada and Australia, wholly owned manufacturing facilities have been established. In Europe, Latin America

and India, Corning has substantial interests in six companies manufacturing glass products and one producing refractories. Corning also licenses the manufacture of a number of products abroad.

Since 1959, Corning Glass Works of Canada Ltd. has produced CORNING WARE products for the Canadian market at its Leaside, Ontario, plant. Last year a similar operation was established at Corning's plant at Liverpool, Australia, and a new subsidiary, Corning, Nederlandse Fabrieken, N.V., was organized to produce cookingware comparable to CORNING WARE utensils for the European market. The Dutch subsidiary is now constructing a plant at Groningen, The Netherlands.

Other construction currently in progress will provide additional plant facilities for Corning's associate in India, Borosil Glass Works Limited of Bombay. The company produces technical glassware which is sold under its BOROSIL trademark.

A new associated manufacturing company in which Corning has a substantial interest is Electrosil, Ltd., of Sunderland, England. Electrosil was previously only a sales organization, but in 1963 began the manufacture of electronic components. A similar organization for the European continent, Sovcor Electronique, S.A., is in process of formation. These two companies will serve a growing demand for electronic components in both the European Free Trade Association and the European Common Market.

## *Other Activities*

### *Research and Development*

Corning has long based its growth on the ability to develop new materials and new processes and to translate

*In the scale model of Eugene C. Sullivan Science Park, the tall white building represents the new fundamental and applied research laboratory; the long, low building is the product and process development building. The process research center in the foreground has been operating since 1961.*

*Photochromic glasses darken in varying degrees depending upon the intensity of the light source, and clear to original transparency when the light is removed (photograph below, graphs on facing page).*



such laboratory achievements into useful products which can be produced economically.

Such an approach must obviously be backed by creative manpower, adequate facilities and sufficient money. Last year a record \$15,425,935 was spent for research and development, representing 5.3 per cent of total sales. In addition, two new laboratory buildings were constructed and two others were started.

Each year new products of varying descriptions and uses are introduced to the market as a result of Corning's research effort. Sixty per cent of the 1963 sales dollars were from products introduced since World War II.

Once again a significant scientific achievement was disclosed by Corning last month—the development of photochromic glasses. These new glasses darken when exposed to light and return to their original transparency when light is removed.

Although work has been done by others in this field, Corning's photochromic glasses are the only ones known to be completely and permanently reversible—darkening and clearing indefinitely without fatigue. Commercial applications are being explored.

### *New and Enlarged Plants*

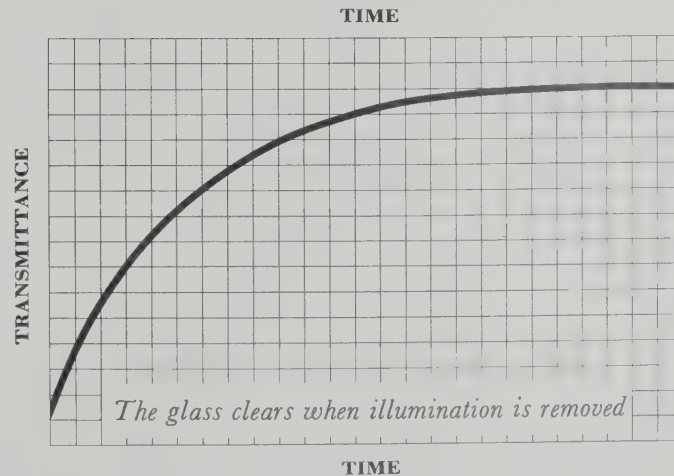
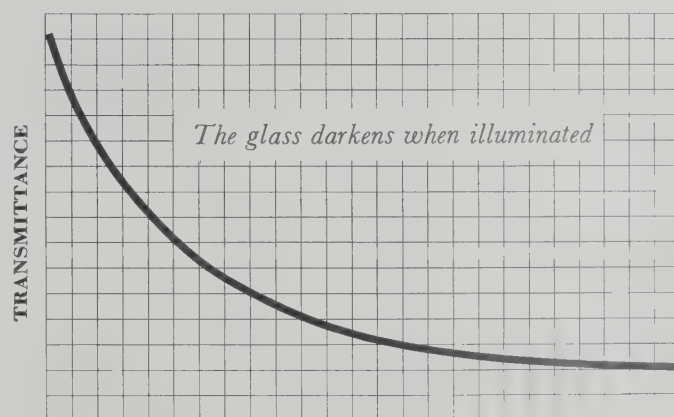
Capital expenditures in 1963 for plant enlargement and modernization, and for the construction of two new research laboratories, totalled \$16,942,000.

Four plants were expanded substantially. Martinsburg, W. Va., was enlarged by one-third to increase the production of CORNING WARE products; Danville, Ky., was expanded by 20 per cent to increase production of glass tubing; Albion, Mich., was increased to provide an 80,000-square-foot warehouse for television bulbs; and the manufacturing facilities of Corhart Refractories Com-

pany at Louisville, Ky., were also enlarged.

An electronics research laboratory was constructed last year adjacent to the headquarters of the Electronic Products Division at Raleigh, N. C. A new laboratory for ceramic research was also completed at Eugene C. Sullivan Science Park near Corning.

The largest construction program ever undertaken for research and development purposes was started this year at the Science Park. A laboratory of 150,000 square feet is being built to house fundamental and applied research and will permit the consolidation of all such activities in one location. A building of 90,000 square



*Thirty-one crystal forms inspired by American poets comprised a special exhibition, "Poetry in Crystal," commissioned by Steuben Glass. The piece illustrated below represents the poem, "Bird Song," composed by William Carlos Williams.*



feet is being constructed for product and process development. A third building of 20,000 square feet is being constructed to service all facilities at Science Park.

Other approved construction to be undertaken in 1964 includes a new plant for the manufacture of corrugated paper containers.

### *Employee Relations*

Corning has always taken pride in its large number of employees with long service records. Approximately 12,000 men and women, representing 70 per cent of the persons on the payroll, have had ten or more years of continuous service. Last year 38 active and retired employees reached the 50-year mark, making a total of 150 persons who have been associated with the company for more than half a century.

The number of employees enrolled in the company's educational assistance plan was nearly double that of the previous year. The company pays 75 per cent of tuition costs for approved courses completed successfully. The courses must be of a type that will improve the employee's effectiveness on his present or anticipated work assignment.

### *Steuben Glass*

An exhibition of 31 crystal forms inspired by new poems composed by 31 distinguished American poets opened in April at Steuben Glass, New York City. The eight-week exhibition attracted more than 75,000 visitors.

The project "Poetry in Crystal" had been undertaken jointly by Steuben Glass and The Poetry Society of America. The Society selected poets representative of contemporary American poetry including Marianne Moore,

Conrad Aiken, Richard Wilbur, W. H. Auden and Robinson Jeffers. Steuben Glass commissioned the poets to submit unpublished poems, and artists and glass designers then collaborated to express in crystal forms—engraved or abstract—the theme or mood of the poems.

The collection was two years in the making. Each of the crystal sculptures is a major work, limited to an edition of 12 pieces.

In addition to undertaking occasional major projects, Steuben continues to pursue the development of crystal as a medium of the fine and decorative arts.

### *Corning Glass Center*

The Corning Glass Center was visited by almost 800,000 persons in 1963. Since 1951, when the Center was opened, more than 6,500,000 visitors have toured the building which includes The Corning Museum of Glass, the Hall of Science and Industry and the Steuben Factory.

The Hall of Science and Industry illustrates the properties and uses of glass through participation displays and exhibits. During the year new exhibits were installed to demonstrate the versatile role of glass in the field of electronics and in the home.

The Glass Center again presented a full program of plays, concerts, lectures and films. Center facilities were also used by Corning area residents for meetings, conferences and community events.

### *The Corning Museum of Glass*

The Corning Museum of Glass, a nonprofit educational institution chartered by the Regents of the State of New York, strengthened its collection of English glass through the acquisition of a unique Verzelini goblet and

one of the two extant engraved bowls produced by George Ravenscroft. The collections were further enriched by generous gifts made by Louise Esterly, Edwin J. Beinecke and Fletcher Ford.

During the summer a special exhibition presented the 19th century English cameo glass collection of Mr. and Mrs. Albert Christian Revi. The event was the subject of a catalog and of several articles published here and abroad.

The Museum continued its active participation in the archeological excavations in Sardis, Turkey. It conducted, again with the cooperation of the Smithsonian Institution and Colonial Williamsburg, a second dig at the site of the John Frederick Amelung glass factory near Frederick, Md. The foundations of a building 112 feet in length were uncovered. The site also contained the remains of the only known 18th century glass furnaces uncovered to date in America.

As the world's leading producer of specialty glass products, Corning manufactures in 34 plants each year more than 35,000 different items for use in science, industry, defense and the home. Representative product classifications are listed on pages 28 and 29.

Shareholders who wish further information about the company or its products, are invited to address inquiries to the Public Relations Department, Corning Glass Works, Corning, N. Y.



*The Corning Museum of Glass acquired a diamond engraved goblet made at the London glasshouse of Giacomo Verzelini in 1583, the second rare Verzelini piece in the Museum's collection.*

CORNING GLASS WORKS and Consolidated Subsidiary Companies

Consolidated Statement of Income and Accumulated Earnings

INCOME	Year Ended	December 29	December 30
		1963	1962
Sales, less discounts, returns and allowances .....		\$289,217,438	\$262,199,886
Dividends from Associated Companies .....		6,882,467	6,364,316
Other Income .....		3,671,806	3,228,273
		<u>299,771,711</u>	<u>271,792,475</u>
Costs and Expenses (Notes 1 and 2):			
Cost of goods sold .....		183,784,809	171,154,450
Selling, general and administrative expenses .....		40,012,756	35,087,885
Research and development expenses .....		15,425,935	12,945,628
Interest and other charges .....		1,708,690	1,407,903
Federal taxes on income .....		27,264,000	23,100,000
		<u>268,196,190</u>	<u>243,695,866</u>
Net Income .....		<u>\$ 31,575,521</u>	<u>\$ 28,096,609</u>

ACCUMULATED EARNINGS	Year Ended	December 29	December 30
		1963	1962
Accumulated Earnings employed in the business at beginning of period .....		\$112,126,448	\$ 97,789,264
Net income .....		31,575,521	28,096,609
Cash dividends—			
On preferred stock—\$3.50 per share .....		(164,848)	(179,346)
On common stock—\$2.50 per share, 1963; \$2.00 per share, 1962 .....		(17,005,570)	(13,580,079)
Accumulated Earnings employed in the business at end of period .....		<u>\$126,531,551</u>	<u>\$112,126,448</u>

CORNING GLASS WORKS and Consolidated Subsidiary Companies

Consolidated Balance Sheet

ASSETS

	December 29 1963	December 30 1962
<b>Current Assets:</b>		
Cash and certificates of deposit .....	\$21,127,163	\$ 15,488,887
U.S. and Canadian Government obligations at cost which approximates market ..	30,643,908	25,506,663
Receivables .....	30,546,505	27,665,774
Less—Provision for doubtful accounts and allowances .....	(1,672,445)	(1,621,538)
Inventories (Note 3) .....	40,991,020	35,878,226
Prepaid expenses .....	740,798	712,869
Total current assets .....	122,376,949	103,630,881
<b>Investments:</b>		
Domestic associated companies (Note 4) .....	4,601,158	4,601,158
Foreign associated and subsidiary companies not consolidated (Note 4) .....	6,626,888	5,752,329
Miscellaneous .....	209,575	203,114
	11,437,621	10,556,601
<b>Plant and Equipment, at cost:</b>		
Land .....	3,392,933	3,225,078
Buildings and equipment .....	185,702,373	171,080,961
Less—Accumulated depreciation and amortization .....	(98,737,628)	(86,954,214)
	90,357,678	87,351,825
<b>Other Assets and Deferred Charges .....</b>	4,425,381	4,364,163
	<u>\$228,597,629</u>	<u>\$205,903,470</u>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	December 29 1963	December 30 1962
<b>Current Liabilities:</b>		
Payables .....	\$ 10,167,024	\$ 8,529,648
Federal income taxes .....	19,172,984	15,909,433
Sundry accrued liabilities .....	12,019,010	9,515,468
Total current liabilities .....	41,359,018	33,954,549
Provision for Furnace Repairs .....	3,944,085	3,402,736
Income Debentures, 3¾% due March 1, 2002 .....	8,500,000	8,700,000
<b>Preferred Stock—3½%, redeemable:</b>		
Authorized—70,000 shares of a par value of \$100 each		
Issued—39,860 shares, 1963; 49,985 shares, 1962 .....	3,986,000	4,998,500
<b>Common Shareholders' Equity:</b>		
Common Stock (Note 5):		
Authorized—7,500,000 shares of a par value of \$5 each		
Issued—6,805,547 shares, 1963; 6,791,885 shares, 1962		
(including excess over par value) .....	44,276,975	42,721,237
Accumulated Earnings Employed in the Business, per attached statement .....	126,531,551	112,126,448
Common shareholders' equity .....	170,808,526	154,847,685
	<u>\$228,597,629</u>	<u>\$205,903,470</u>

# Notes to Consolidated Financial Statements

## 1. Depreciation and amortization:

Depreciation and amortization provided during the years 1963 and 1962 amounted to \$13,692,397 and \$13,054,664 respectively.

## 2. Pension Plans:

Costs and expenses for the year have been charged with \$3,259,173 for pensions under the company's pension plans. The estimated unfunded balance of past service costs amounted to approximately \$21,400,000 at the year end, including amounts resulting from increases in pension benefits effective January 1, 1964.

## 3. Inventories:

Inventories are valued at the lower of cost (current standard or actual cost) or market. At December 29, 1963 they consisted of: finished goods—\$17,364,755; work in process—\$12,496,710; raw materials and accessories—\$7,694,748; and supplies and packing materials—\$3,434,807.

## 4. Investments in associated and subsidiary companies not consolidated:

	<u>Investment</u>	<u>Equity in net assets</u>	<u>Equity in earnings for the year</u>	<u>Dividends received</u>	<u>Equity in undistributed income</u>
Domestic associated companies:					
Pittsburgh Corning Corp. and Dow Corning Corp. (50% owned) .....	\$ 2,244,563	\$23,019,654	\$ 5,446,471	\$ 4,162,500	\$ 1,283,971
Owens-Corning Fiberglas Corporation (31.03% owned) .....	2,356,595	44,875,064	3,872,259	2,083,500	1,788,759
Total .....	4,601,158	67,894,718	9,318,730	6,246,000	3,072,730
Foreign associated and subsidiary companies not consolidated .....	6,626,888	17,381,640	1,168,742	636,467	532,275
	<u>\$11,228,046</u>	<u>\$85,276,358</u>	<u>\$10,487,472</u>	<u>\$6,882,467</u>	<u>\$ 3,605,005</u>

The aggregate quoted market of Owens-Corning Fiberglas Corporation shares was approximately \$129,946,000 in excess of the investment at the end of the year.

## 5. Employees' common stock options:

The company has reserved 186,755 shares of unissued common stock for sale to key employees under stock option agreements. Options for 61,655 shares were outstanding at December 29, 1963 at prices equivalent to 95% of market at dates of grant. During the year 1963, an option for 5,000 shares was granted at \$156.93 a share and options for 13,662 shares of common stock were exercised at prices ranging from \$77.90 to \$165.83 a share; total proceeds of \$1,512,323 were credited to common stock.

## 6. Commitments and contingent liabilities:

Long-term lease commitments (including lease with 719 Fifth Avenue Corporation)—minimum annual rentals approximately \$1,690,000 for years 1964 through 1974 and approximately \$1,163,000 thereafter through 1984.

Commitment (at owner's option) to purchase stock of 719 Fifth Avenue Corporation—approximately \$3,306,000.

# Opinion of Independent Accountants

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**PRICE WATERHOUSE & CO.**

60 Broad Street  
New York  
January 24, 1964

TO THE DIRECTORS AND SHAREHOLDERS  
OF CORNING GLASS WORKS:

In our opinion, the accompanying balance sheet and the related statements of income and accumulated earnings employed in the business present fairly the financial position of Corning Glass Works and consolidated subsidiary companies at December 29, 1963 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

*Price Waterhouse & Co.*

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## Consolidated Statement of Income

With the exception of the amounts per share of common stock at the bottom of this tabulation, all amounts are expressed in thousands of dollars.

	1963	1962
<b>Net Sales</b> .....	\$289,217	\$262,200
<b>Dividends and Other Income</b> .....	10,554	9,593
	<u>299,771</u>	<u>271,793</u>
<b>Costs and Expenses:</b>		
Cost of goods sold .....	183,785	171,154
Selling, general and administrative expenses .....	40,012	35,088
Research and development expenses .....	15,426	12,946
Interest and other charges .....	1,708	1,408
Federal taxes on income .....	27,264	23,100
	<u>268,195</u>	<u>243,696</u>
<b>Net Income</b> .....	<u>\$ 31,576</u>	<u>\$ 28,097</u>
<b>Federal Taxes on Income Per Share of Common Stock</b> † ..	\$4.01	\$3.40
<b>Net Income Per Share of Common Stock</b> (after deducting dividends on preferred stock)† .....	\$4.62	\$4.11
<b>Dividends Per Share of Common Stock</b> † .....	\$2.50	\$2.00

## Source and Disposition of Funds

Expressed in thousands of dollars.

<b>Source of Funds:</b>		
Net income .....	\$ 31,576	\$ 28,097
Portion of income set aside for depreciation and amortization .....	13,692	13,055
Sale of first leasehold mortgage bonds .....		
Proceeds from common stock issued .....	1,512	688
Sales of investments (domestic associates) .....		
Miscellaneous (net) .....	726	(1,037)
	<u>47,506</u>	<u>40,803</u>
<b>Disposition of Funds:</b>		
Dividends:		
On preferred stock .....	165	179
On common stock .....	17,006	13,580
Additions to plant and equipment .....	16,942	17,970
Purchase of preferred stock for retirement .....	969	379
Reduction of long-term debt .....	200	200
Investments in associated and subsidiary companies .....	882	1,302
	<u>36,164</u>	<u>33,610</u>
<b>Increase (or decrease) in working capital</b> .....	<u>\$ 11,342</u>	<u>\$ 7,193</u>

†Adjusted for 2½-for-1 common stock split in January, 1955.

\*Exclusive of non-recurring net loss of \$2,334,924 on sales of investments in associated companies.

1961	1960	1959	1958	1957	1956	1955	1954
\$229,569	\$214,871	\$201,370	\$159,138	\$159,070	\$163,053	\$157,664	\$147,939
8,835	10,160	8,071	6,162	5,541	3,833	3,575	2,398
<u>238,404</u>	<u>225,031</u>	<u>209,441</u>	<u>165,300</u>	<u>164,611</u>	<u>166,886</u>	<u>161,239</u>	<u>150,337</u>
150,059	148,932	129,996	108,092	111,330	109,016	102,831	97,019
28,972	25,538	25,380	16,791	15,894	14,638	13,410	12,327
10,714	9,361	8,132	6,903	5,631	4,792	5,319	4,494
1,243	1,119	1,297	750	723	1,107	1,152	807
21,490	18,026	20,300	15,600	14,500	18,900	19,900	18,200
<u>212,478</u>	<u>202,976</u>	<u>185,105</u>	<u>148,136</u>	<u>148,078</u>	<u>148,453</u>	<u>142,612</u>	<u>132,847</u>
<u>\$ 25,926</u>	<u>\$ 22,055*</u>	<u>\$ 24,336</u>	<u>\$ 17,164</u>	<u>\$ 16,533</u>	<u>\$ 18,433</u>	<u>\$ 18,627</u>	<u>\$ 17,490</u>
\$3.17	\$2.66	\$3.01	\$2.32	\$2.16	\$2.83	\$2.99	\$2.74
\$3.79	\$3.23	\$3.57	\$2.52	\$2.43	\$2.72	\$2.76	\$2.59
\$2.00	\$2.00	\$1.625	\$1.50	\$1.50	\$1.50	\$1.50	\$1.20

\$ 25,926	\$ 22,055	\$ 24,336	\$ 17,164	\$ 16,533	\$ 18,433	\$ 18,627	\$ 17,490
10,853	9,479	8,428	7,984	7,580	6,659	5,899	5,849
			11,000				
1,273	1,176	2,088	844	1,118	50	381	
	2,386						
235	(708)	572	(544)	112	2,306	849	(672)
<u>38,287</u>	<u>34,388</u>	<u>35,424</u>	<u>36,448</u>	<u>25,343</u>	<u>27,448</u>	<u>25,756</u>	<u>22,667</u>
194	201	217	228	231	237	265	270
13,560	13,528	10,963	10,077	10,053	9,991	9,981	7,977
19,173	26,468	11,061	18,227	15,406	14,612	8,349	4,306
252	147	496	106	58	774	258	48
200	200	200	200	200	100		
743	295	438	590	3,355	336		1,000
<u>34,122</u>	<u>40,839</u>	<u>23,375</u>	<u>29,428</u>	<u>29,303</u>	<u>26,050</u>	<u>18,853</u>	<u>13,601</u>
<u>\$ 4,165</u>	<u>\$ (6,451)</u>	<u>\$ 12,049</u>	<u>\$ 7,020</u>	<u>\$ (3,960)</u>	<u>\$ 1,398</u>	<u>\$ 6,903</u>	<u>\$ 9,066</u>

# Consolidated Statement of Financial Position

Expressed in  
thousands of  
dollars at fiscal  
year end.

	1963	1962
<b>Current Assets:</b>		
Cash and Government obligations .....	\$ 51,771	\$ 40,996
Receivables (net) .....	28,874	26,044
Inventories .....	40,991	35,878
Prepaid expenses .....	741	713
Total current assets .....	<u>122,377</u>	<u>103,631</u>
<b>Current Liabilities:</b>		
Payables .....	10,167	8,530
Federal income taxes .....	19,173	15,909
Sundry accrued liabilities .....	12,019	9,516
Subscription to capital stock of an associated company .....		
Total current liabilities .....	<u>41,359</u>	<u>33,955</u>
Working capital .....	<u>81,018</u>	<u>69,676</u>
<b>Investments in Associated Companies, foreign subsidiary companies not consolidated and other companies .....</b>	<b>11,438</b>	<b>10,557</b>
<b>Plant and Equipment, at cost (net) .....</b>	<b>90,358</b>	<b>87,352</b>
<b>Other Assets and Deferred Charges .....</b>	<b>4,425</b>	<b>4,364</b>
	<u>187,239</u>	<u>171,949</u>
Deduct:		
Subscription to capital stock of an associated company —noncurrent .....		
Income Debentures, 3¾% due March 1, 2002 .....	8,500	8,700
First Leasehold Mortgage Bonds, 4½% due June 30, 1984 .....		
Provision for furnace repairs .....	3,944	3,403
Minority interest in consolidated subsidiary .....		
	<u>12,444</u>	<u>12,103</u>
<b>Net Assets .....</b>	<b><u>\$174,795</u></b>	<b><u>\$159,846</u></b>
<b>Shareholders' Equities:</b>		
Preferred stock .....	\$ 3,986	\$ 4,999
Common stock (including excess over par value) .....	44,277	42,721
Accumulated earnings employed in the business .....	126,532	112,126
Common shareholders' equity .....	<u>170,809</u>	<u>154,847</u>
	<u>\$174,795</u>	<u>\$159,846</u>

1961	1960	1959	1958	1957	1956	1955	1954
\$ 39,300	\$ 31,408	\$ 45,235	\$ 44,294	\$ 38,201	\$ 47,779	\$ 50,954	\$ 47,023
22,484	20,144	21,436	15,802	11,360	10,972	10,909	9,844
33,396	35,375	28,170	21,150	20,723	19,513	17,798	15,764
639	738	899	1,116	1,070	1,110	1,094	921
<u>95,819</u>	<u>87,665</u>	<u>95,740</u>	<u>82,362</u>	<u>71,354</u>	<u>79,374</u>	<u>80,755</u>	<u>73,552</u>
7,178	7,697	9,373	6,759	5,076	4,974	5,163	4,889
15,515	13,194	13,550	12,451	12,403	17,581	19,562	19,354
10,643	8,457	8,048	8,296	7,107	7,159	7,768	7,950
			2,136	1,068			
<u>33,336</u>	<u>29,348</u>	<u>30,971</u>	<u>29,642</u>	<u>25,654</u>	<u>29,714</u>	<u>32,493</u>	<u>32,193</u>
<u>62,483</u>	<u>58,317</u>	<u>64,769</u>	<u>52,720</u>	<u>45,700</u>	<u>49,660</u>	<u>48,262</u>	<u>41,359</u>
9,255	8,512	12,938	12,500	15,132	6,992	7,161	8,202
82,685	74,535	57,617	68,346	55,136	49,776	42,471	40,203
3,639	3,666	1,782	1,443	1,075	1,121	486	451
<u>158,062</u>	<u>145,030</u>	<u>137,106</u>	<u>135,009</u>	<u>117,043</u>	<u>107,549</u>	<u>98,380</u>	<u>90,215</u>
8,900	9,100	9,300	9,500	9,700	9,900	10,000	10,000
			11,000				
3,962	3,924	2,819	3,201	2,564	2,316	2,133	2,517
						516	427
<u>12,862</u>	<u>13,024</u>	<u>12,119</u>	<u>24,769</u>	<u>14,400</u>	<u>12,216</u>	<u>12,649</u>	<u>12,944</u>
<u>\$145,200</u>	<u>\$132,006</u>	<u>\$124,987</u>	<u>\$110,240</u>	<u>\$102,643</u>	<u>\$ 95,333</u>	<u>\$ 85,731</u>	<u>\$ 77,271</u>
\$ 5,412	\$ 5,701	\$ 5,873	\$ 6,448	\$ 6,573	\$ 6,642	\$ 7,425	\$ 7,686
41,999	40,688	39,487	37,321	36,458	35,329	33,577	14,764
97,789	85,617	79,627	66,471	59,612	53,362	44,729	54,821
<u>139,788</u>	<u>126,305</u>	<u>119,114</u>	<u>103,792</u>	<u>96,070</u>	<u>88,691</u>	<u>78,306</u>	<u>69,585</u>
<u>\$145,200</u>	<u>\$132,006</u>	<u>\$124,987</u>	<u>\$110,240</u>	<u>\$102,643</u>	<u>\$ 95,333</u>	<u>\$ 85,731</u>	<u>\$ 77,271</u>

# Representative Products

## Corning Glass Works Operating Divisions

### CONSUMER PRODUCTS DIVISION

CORNING WARE Utensils  
PYREX Ware Utensils  
CORNING brand DOUBLE-TOUGH tumblers  
CENTURA tableware  
PYROCERAM brand tableware  
CORNING Food Service Center  
Christmas ornaments

### CORNING PACKAGING COMPANY

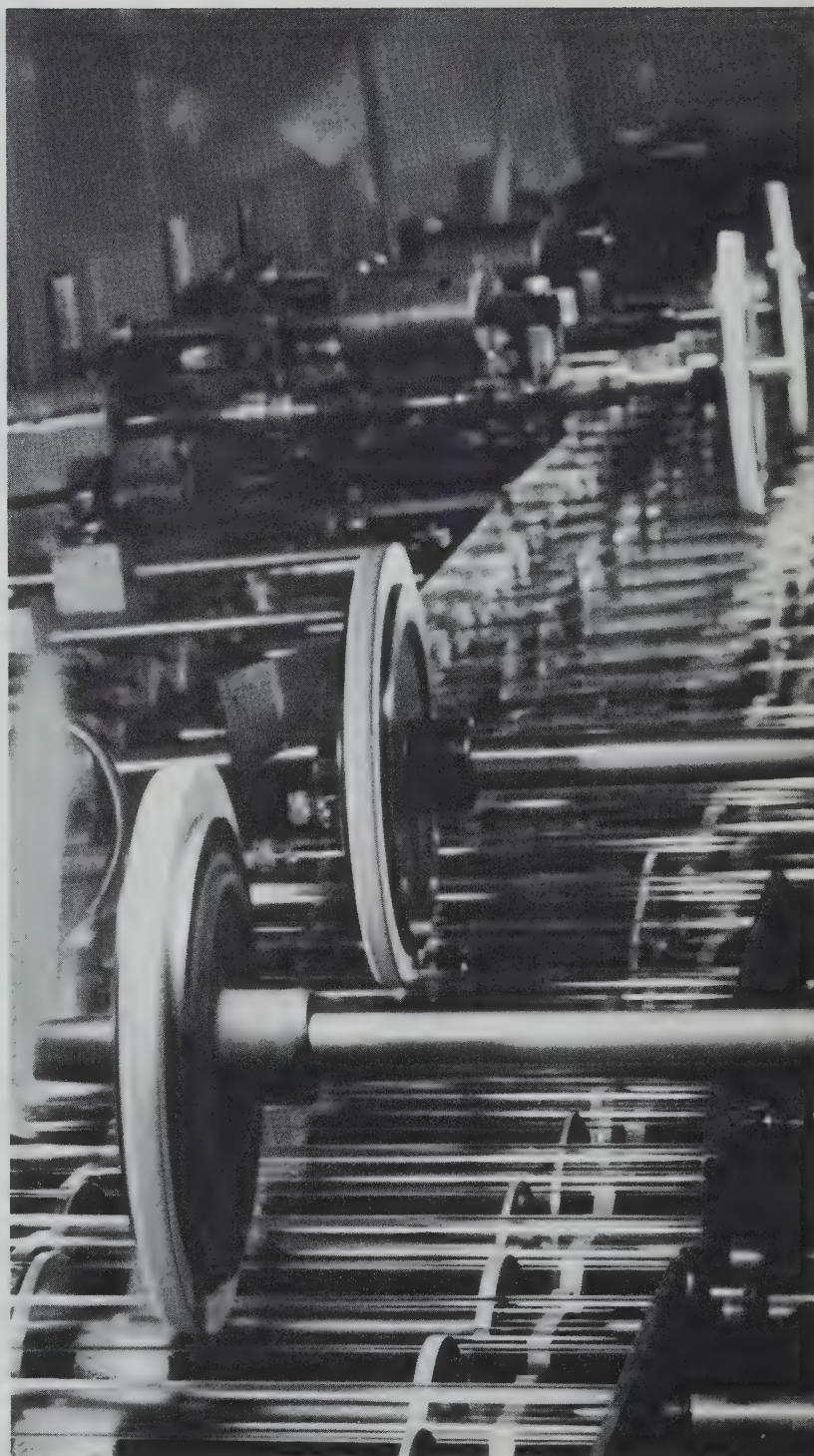
Corrugated paper containers  
PROFILE brand foam plastic packaging  
Retail packages  
Display materials  
Gift cartons  
Packaging specialties

### ELECTRONIC PRODUCTS DIVISION

Capacitors, resistors, inductors  
Semiconductor parts  
Microelectronic circuit packages  
Thin film components, microcircuits  
Glass memories  
Substrate materials  
Process control instruments, devices  
Fluid amplifier elements

### INDUSTRIAL PRODUCTS DIVISION

PYREX process piping, drainline  
CORNING radiant heaters  
CORNING Solar Shielding Glass  
Sight, gauge, meter glass  
Lighting panels, lenses  
Street light refractors  
Lantern globes, chimneys  
Airport, marine, railroad signalware



## Corning Glass Works Subsidiaries

### LAMP PRODUCTS DIVISION

Incandescent lamp bulbs  
Photoflash lamp bulbs  
Fluorescent tubing  
Sign light tubing  
High-temperature lamp parts  
Sealed beam lamp parts

### STEUBEN GLASS

Vases  
Bowls  
Table crystal and accessories  
Ornamental pieces  
Engraved exhibition pieces  
Presentation pieces

### TECHNICAL PRODUCTS DIVISION

Spacecraft viewports  
Telescope mirror blanks  
Missile nose cones, antenna shields  
PYREX, VYCOR, COREX laboratory ware  
Optical, ophthalmic lens blanks  
Radiation-shielding windows  
Chemically tempered safety plate  
Aircraft windshields

### TELEVISION PRODUCTS DIVISION

Bulbs and tubing for:  
    Black and white television tubes  
    Color television tubes  
    Cathode ray tubes  
    Receiver tubes  
Microminiature glass wires  
Multiform parts  
Multilead bulbs  
Power and storage tubes

### CORHART REFRACTORIES CO., Inc., Louisville, Ky.

Fused cast, bonded, special refractories for glass melting furnaces  
Basic refractories for steel, cement, copper furnaces  
Special refractories for general abrasion problems

### CORNING GLASS INTERNATIONAL, S.A., New York, N. Y.

Responsible for the export sale of Corning and Corhart products

### CORNING GLASS WORKS OF CANADA Ltd., Leaside, Ontario, Canada

CORNING WARE utensils  
PYREX Ware utensils  
Television bulbs  
Technical glassware

### CORNING, NEDERLANDSE FABRIEKEN, N. V., Groningen, The Netherlands

CORNING WARE utensils

### SIGNETICS CORPORATION, Sunnyvale, Calif.

Semiconductor integrated circuits

### VIDROS CORNING BRASIL, S.A., Sao Paulo, Brazil

### CORNING MEXICANA, S.A., Mexico City, Mexico

# Officers

## OFFICERS

WILLIAM C. DECKER, Chairman of the Board  
AMORY HOUGHTON, Chairman, Executive Committee  
AMORY HOUGHTON, JR., President  
CHARLES D. LA FOLLETTE, Financial Vice President  
LEROY A. AMYLON, Staff Vice President  
WILLIAM H. ARMISTEAD, Vice President  
FORREST E. BEHM, Vice President  
PAUL T. CLARK, Vice President  
ALLEN W. DAWSON, Vice President  
F. PHILIP HUNT, Vice President  
MALCOLM H. HUNT, Vice President  
R. LEE WATERMAN, Vice President  
ARTHUR W. WEBER, Vice President  
THOMAS S. WOOD, JR., Vice President  
FREDERICK H. KNIGHT, Secretary  
THOMAS WAALAND, Treasurer  
ROBERT W. FOSTER, Controller  
HENRY H. SAYLES, Assistant Secretary  
WILLIAM W. SINCLAIRE, Assistant Secretary  
C. H. KRUIDENIER, Assistant Treasurer  
CHARLES S. LA FOLLETTE, Assistant Controller

## HONORARY OFFICERS

HARRY M. HOSIER, Honorary Vice President  
JESSE T. LITTLETON, Honorary Vice President  
GEORGE D. MACBETH, Honorary Vice President

## DIRECTORS

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AMORY HOUGHTON,\* Chairman, Executive Committee  
WILLIAM H. ARMISTEAD  
PAUL T. CLARK  
JOHN B. COBURN  
AMORY HOUGHTON, JR.\*  
ARTHUR A. HOUGHTON, JR.  
JOHN R. KIMBERLY  
CHARLES D. LA FOLLETTE\*  
GEORGE D. MACBETH\*  
GEORGE MURNANE  
ROBERT D. MURPHY  
HOWARD C. SHEPERD  
R. LEE WATERMAN

*\*Member of the Executive Committee*

## TRANSFER AGENT

First National City Bank  
55 Wall Street, New York, N. Y. 10015

## REGISTRAR

United States Trust Company of New York  
45 Wall Street, New York, N. Y. 10005

## Directors



*Amory Houghton, Jr., J. B. Coburn, A. A. Houghton, Jr.*



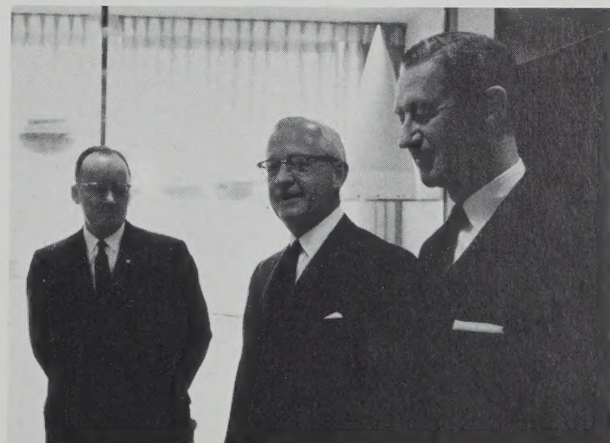
*W. C. Decker, George Murnane*



*P. T. Clark, H. C. Sheperd, C. D. LaFollette, G. D. Macbeth*



*Amory Houghton, R. D. Murphy*



*W. H. Armistead, J. R. Kimberly, R. L. Waterman*

## Associated Companies

### **DOW CORNING CORP., Midland, Mich.**

Formed jointly with The Dow Chemical Co. in 1943; silicones for polishes, water repellents, release agents, lubricants, sealants, defoamers, elastomers, paint additives, electrical insulation; silicon crystals for semiconductor devices.

### **OWENS-CORNING FIBERGLAS CORP., Toledo, Ohio**

Formed jointly with Owens-Illinois Glass Co. in 1938; fibrous glass materials and products for thermal and noise insulation, roofing, air filters, screening, electrical insulation, fabrics, lighting panels, reinforced plastic products.

### **PITTSBURGH CORNING CORP., Pittsburgh, Pa.**

Formed jointly with Pittsburgh Plate Glass Co. in 1937; glass blocks, FOAMGLAS insulation, GEOCOUSTIC acoustic absorbers, FOAMTHANE insulation, UNIBESTOS high-temperature insulation, INTAGLIO glass wall units, FOAMGLAS-BOARD roof insulation.

### **BOROSIL GLASS WORKS LIMITED, Bombay, India**

### **CRISTALERIAS RIGOLLEAU, S.A., Buenos Aires, Argentina**

### **CIA. VIDRARIA SANTA MARINA, S.A., Sao Paulo, Brazil**

### **CRISTALERIAS DE CHILE, S.A., Santiago, Chile**

### **L'ELECTRO REFRACTAIRE, Paris, France**

### **ELECTROSIL, LTD., Buckinghamshire, England**

### **JAMES A. JOBLING & CO., LTD., Sunderland, England**

### **SOVIREL, Paris, France**

Neither this report nor any statement contained herein is furnished in connection with any offering of securities or for the purpose of promoting or influencing the sale or purchase of securities.

## Plants

### Corning Glass Works and Subsidiaries

Albion, Mich.	Greencastle, Pa.
Big Flats, N. Y.	Greenville, Ohio
Buckhannon, W. Va.	Groningen, The Netherlands
Bradford, Pa.	Harrodsburg, Ky.
Central Falls, R. I.	Horseheads, N. Y.
Charleroi, Pa.	Leaside, Ontario, Canada
Corning, N. Y.	Liverpool, NSW, Australia
Corning Packaging Equipment Plant	Louisville, Ky.
Fall Brook Plant	East Plant
Main Plant	West Plant
Pressware Plant	Martinsburg, W. Va.
Radome Plant	Muskogee, Okla.
Refractories Plant	Paden City, W. Va.
Steuben Factory	Parkersburg, W. Va.
Danville, Ky.	Pennndel, Pa.
Danville, Va.	Raleigh, N. C.
Frederick, Md.	Sunnyvale, Calif.
	Wellsboro, Pa.

## Sales Offices

### Corning Glass Works and Subsidiaries

Atlanta, Ga.  
Chicago, Ill.  
Cleveland, Ohio  
Corning, N. Y.  
Dallas, Texas  
Houston, Texas  
Leaside, Ontario, Canada  
Los Angeles, Calif.  
Louisville, Ky.  
New York, N. Y.  
Pennndel, Pa.  
Pittsburgh, Pa.  
Raleigh, N. C.  
San Francisco, Calif.  
Sunnyvale, Calif.  
Washington, D. C.  
Zurich, Switzerland



CORNING GLASS WORKS  
CORNING, NEW YORK